

SHIPS INSURED, THEN SUNK, LONDON VIEW

Marine Underwriters Account for Missing Vessels by Wrecker Theory.

ONE NATION UNDER BAN

'Disasters' Later Befell Steamers of Another European Country.

BUSINESS BROUGHT HERE

Attitude of Companies Is That American Insurers Have Some Things to Learn.

LONDON, June 23.—The tremendous losses of cargoes and ships at sea, which caused a stir in London marine underwriting circles some months ago, resulted in the insurance agents putting the shipowners and exporters of one European nation under the ban. But refusal to do business with these persons failed to end the remarkable sequence of sinkings, most of which, strangely enough, occurred within reach of land, and were consequently for the most part without casualties and were attributed to "striking mines"—although the Admiralty insisted that the seas had been cleared of these dangers—"fire in the bunkers," "striking rocks" and other causes equally plausible but equally as difficult to disprove.

TABOO IS EXTENDED

While in the latter case no concerted action has yet been taken by the London underwriters many individual firms have extended the taboo to include owners of this nationality.

As a result in both instances there has been a transfer of much of this business to the American market. The British are watching with interest the outcome of the experiment. The attitude of many of them might be summed up as "we wish you good luck, but we think you will learn a few things."

ONE SPECIFIC CASE WHICH INFLUENCED THE BRITISH TO LAY THE BAN WAS ATTENDED BY SIGNIFICANT CIRCUMSTANCES WHICH HAD BEEN COMMON WITH THOSE OF MANY PREVIOUS SINKINGS.

The vessel in question, bought early in 1919 for £165,000 sterling, sank recently near Cape Camaret, France, as a result of "running ashore." It developed that the hull and machinery were insured for £150,000 sterling on a policy that expired on the day after the date of the "disaster."

LIST OF SINKINGS DECEPTIVE.

Lloyd's a few days ago published a list of the sinkings of thirteen vessels of the same nationality since March 13 last, all attributed to similar causes. An examination of Lloyd's "lost book" for the first four months of 1921 shows fewer marine casualties than occurred during the corresponding period of the two preceding years, but underwriters say these figures are deceptive as, due to decreased business, fewer ships were at sea during the first part of this year and that the sinkings, therefore, were proportionately higher.

THE COMMERCIAL MORALITY OF THE WORLD SEEMS TO HAVE BEEN MARKEDLY LOWERED AS A RESULT OF THE WAR," SAID ONE UNDERWRITER TO-DAY WHOSE EXPLANATION OF THE SITUATION WAS ASKED.

"The demand for bottomed after the armistice raised shipping to unprecedented values. Insurance valuations increased correspondingly. Then the slump came and values were lowered and owners faced tremendous losses, but insurance policies continued at an artificially high mark. What we term 'moral risk' naturally increased and sinkings began. That is our notion how it all came about."

SHIPS LOST IN STORM WEATHER BUREAU VIEW

Severe Gales in February May Account for Some.

WASHINGTON, June 23.—Weather Bureau officials came forward to-night with the theory that some of the dozen or more ships reported to have disappeared mysteriously in the North Atlantic may have fallen victim to the series of unusually severe storms which are known to have swept these areas in the first weeks of February, 1921.

DISAPPEARANCE OF THE ENTIRE CREW OF THE SCHOONER CARROLL A. DEERING, WHICH CAME ASHORE OFF CAPE HATTERAS, FRASHER, WAS ASKED.

"The demand for bottomed after the armistice raised shipping to unprecedented values. Insurance valuations increased correspondingly. Then the slump came and values were lowered and owners faced tremendous losses, but insurance policies continued at an artificially high mark. What we term 'moral risk' naturally increased and sinkings began. That is our notion how it all came about."

SCOUTS TO RESPECT DEAD.

As a mark of respect to the dead, Boy Scouts in Manhattan are required by a regulation just adopted to come to attention and salute at the passing of the hearse in a funeral procession. The "apparently heedless attitude of the general public during the passage of funeral processions" caused the adoption of the regulation at the last meeting of the executive committee of Man-

COUPLE, BUNKERED BY GOLF, SLICE INTO DIVORCE COURT

Newly Weds Quarrel When Bride Volunteers to Buy Clubs for Hubby, Who Regards Offer as Slur on His Game—Decree Granted to Her.

SPECIAL DESPATCH TO THE NEW YORK HERALD

CHICAGO, June 23.—The Binkleys, Luther and Jessie, were married December 11, 1920. Their honeymoon equalled the course record on Cupid's links. The home green was a pretty little bungalow in Rogers Park. Their life was one of happiness and they were playing daily the course of love in about nine under hedges. Then came the bunker this spring, when they both took up golf. Yesterday Mrs. Binkley won a divorce after telling Judge Rush golf had broken up their happy little home.

"On May 9 we agreed that we needed some new clubs," said Mrs. Binkley. "I went to get them, and just as I was about to leave the house I asked him if I should buy his for him."

"For some reason," she continued, "this made him very angry. He was so

mad for a minute that he couldn't say a thing, and then he said he never would play with me again.

"I told him I never learned anything playing with him anyhow, and this slur at his ability as a golfer knocked all the little Cupids right out of our life."

Mrs. Binkley declared to the court that they had been as happy as turtle doves until they decided to take up golf. Neither of them ever had been guilty of slicing a conversational drive into the rough. Her husband's approach to the clubhouse after the day's play were hailed with delight by her.

Judge Rush thought the matter over for a minute. The Judge is a golfer. Then he reached for the decree and signed it.

"I play some, but myself," he said, "and somehow of other I fear you two will never get along together again. Funny game, golf."

SEE SHIPS AT MERCY OF PLANES IN TEST

Continued from First Page.

were 163 airplanes, all but eighteen of the heavy bombing type, not less than thirty-five capable of carrying from 2,000 to 4,000 pounds in bombs. It was estimated that the airplanes were able to carry a total of 50,000 pounds of bombs, of which 65 per cent. would be TNT.

All along the back river boundary of the post are stacked heavy boxes containing bombs weighing up to 1,500 pounds. They have been sent down from the army ordnance grounds at Aberdeen in preparation for the tests now in progress.

The army fliers do not believe they are getting a fair chance in the tests under the direction of the navy. Their participation will consist in dropping 300 pound bombs one at a time on the German warships in cooperation with the navy fliers.

This will not prove the contention, the fliers insist, that aircraft are the most powerful weapon against battleships and other navy craft. An agitation has started for obtaining an additional test, some time in September perhaps, on the old battleship Kentucky, when the bombardment wing now at Langley Field will be turned loose to sink the vessel by means of varying sizes, including the deadliest known to military ordnance, a bomb weighing 2,000 pounds. Such a bomb would be able, they said, to put a battleship out of commission.

Using such weapons as these, the fliers are confident, together with poison gas, torpedoes and mines let out from aircraft, any modern fleet could be destroyed in a day by a country which had control of the air. This, of course, if such an enemy fleet were to come within 200 miles of the American coast, provided such an air force did not have airplane carriers, but anywhere in the ocean if carriers were provided.

TO TEST RADIO FOR USE OF SHIPS IN FOG

Scheme to Give Bearings of Beacons When Not Visible.

SPECIAL DESPATCH TO THE NEW YORK HERALD

New York Herald Bureau, Washington, D. C., June 23.

Superintendent Putnam of the Light-house Service announced to-day that a test would be made in New York Harbor on Monday of a new system of radio direction signals. He believes that fog, a terror of all seafaring men, soon will succumb to science and ship disasters will be averted.

The system affords practical means by which navigators can take reasonably accurate bearings on fixed beacons which are not visible.

Mr. Putnam said the new radio system enables a mariner to find the location of his vessel in thickest weather, when lights and landmarks are not seen through the haze.

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MUTUAL LIFE HOLDS FORBIDDEN STOCKS

Continued from First Page.

should have been disposed of during the first five year period allowed by the Legislature, and the holding of which he charges has cost the policy holders millions of dollars, are 124,700 shares of Brooklyn City Railroad, 2,000 Sixth Avenue Railroad and a block of Chicago and Northwestern.

The relation of the Mutual Life's affairs to the housing shortage was brought out through the testimony of Henry Mendes, the committee's expert accountant, who showed that while the company was buying speculative securities other than Government war issues in the market during the period between 1911 and 1921, when its assets increased from \$573,000,000 to \$671,000,000, the proportion of its resources invested in mortgage loans dropped from 24.52 per cent. in 1911 to 15.54 per cent. December 31, 1920. The decline in volume of this class of investment by the Mutual had been constant from 1911 to 1919, with 1920 showing an increase of approximately \$4,000,000 over the previous year. During this period it was shown the Mutual had purchased Government war bonds of a face value of \$16,000,000 at a cost of \$15,121,000, and bonds of foreign Governments, including some of the German Empire and Italian and Spanish Governments, amounting to \$59,158.

Emphasizing what he asserts has been the effect upon the housing situation of a policy such as the Mutual was shown to have followed, Mr. Undermyer had the record of the Metropolitan Life Insurance Company's investments in bonded mortgages put into the record as a contrasting element. It showed that the Metropolitan in 1905 had \$38,000,000 invested in this class of security; that every year this amount had increased until in 1920 the Metropolitan had \$357,705,000 invested in mortgages on real estate. On the other hand the Mutual was shown to have had \$109,771,000 so vested in 1905 and only \$104,307,000 in 1920. The Mutual's average return on its mortgage investments for the period between 1906 and 1919 was shown to have been 4.79 per cent., as against 4.73 per cent. on bonds and stocks.

Mr. Undermyer questioned the propriety of the insurance companies using company funds for the maintenance of the Association of Life Insurance Presidents and, according to the committee's verdict, scored heavily over Mr. Peabody in the colloquy that followed. He asked the Mutual's president if the amount contributed for that purpose by his company was large. Mr. Peabody replied that what might appear large to

him might seem insignificant to Mr. Undermyer.

"Well," said Mr. Undermyer, "let's see what you call large, anyway?"

"Anything that is thrown away seems large to me," Mr. Peabody explained.

"Ah! I see," said Mr. Undermyer, "then what you lost by not selling some of these stocks the Mutual has been carrying must seem enormously large to you."

Before the committee went into the Mutual Life Insurance Company's affairs, Mr. Undermyer had put into the record more analytical testimony from the committee's accountants showing the proportion of assets invested in savings banks throughout the State in bonded mortgages. The average, compared with total investments, for 141 banks 48.94 per cent. The highest honor, went to savings banks in Sag Harbor and Riverhead, which showed investments of 62 per cent. in this class of security. The highest in New York city was the Union Dime Savings Bank which showed 56.55 per cent.

The committee's accountant also read into the record the result of an analysis of 1,400 leases of tenants in the Equitable Building at 120 Broadway. This is where Mr. Undermyer has his own office, but in no case did the name of any tenant come out during the recital of rent advances demanded by the Equitable Office Building Corporation since the building opened in 1915. A half dozen or more examples were taken of leases which showed for the current year advances ranging from moderate to as high as 173 per cent. It was testified by George T. Mortimer, president of the operating corporation that the aggregate rentals for the current year amount to about \$4,000,000. There is a \$20,000,000 mortgage on the building, running for a long term and which is being amortized from revenues. It carries an indeterminate rate of interest amounting to about 4 per cent. In connection with the increased rentals a second table showing increased operating expenses also was put into the record. These were shown to have advanced from \$2,716,000 for the year ending April 30, 1917, to \$3,354,000 for the year ending April 30 last.

The United States Government, it was shown by Mr. Mortimer's testimony was not affected by this increase of operation as the Federal Reserve Bank, which occupies large premises on the ground floor and various offices throughout the building, took a long term lease when the building opened.

The hearing will continue to-day.

6,000 SUFFERED BY FLOOD.

PUEBLO, June 23.—Nearly 6,000 persons suffered as a result of the flood here, according to an official statement issued by the Red Cross to-day. That number includes dead, injured, homeless and persons who lost property. Among the number were 800 foreigners. Up to June 20, the statement said, 1,702 families registered as needing assistance. In addition 353 homeless men applied for aid. According to the Red Cross 600 houses were destroyed.



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